



SACHI A. HAMAI
Interim Chief Executive Officer

County of Los Angeles
CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
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"To Enrich Lives Through Effective And Caring Service"

Board of Supervisors
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MARK RIDLEY-THOMAS
Second District

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Fifth District

March 17, 2015

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

THREE-YEAR LICENSE
PROBATION DEPARTMENT
3300 SANDOVAL AVENUE, PICO RIVERA
(FIRST DISTRICT)
(3 VOTES)

SUBJECT

A new three-year license for an 8.58 acre school campus with approximately 19,363 square feet of office and classroom space comprised of three buildings, four modular buildings, and two parking lots for use by the Probation Department.

IT IS RECOMMENDED THAT THE BOARD:

1. Consider the Negative Declaration together with the fact that no comments were received during the public review process, find that the project will not have a significant effect on the environment, find that the Negative Declaration reflects the independent judgment of the County of Los Angeles to approve the Negative Declaration, find that the project will have no adverse effect on wildlife resources, and authorize the Chief Executive Office to complete and file a Certificate of Fee Exemption for the project.
2. Approve and instruct the Mayor to sign the license with El Rancho Unified School District (Licensor), for the occupancy of a school campus consisting of an 8.58 acre parcel with approximately 19,363 square feet of office and classroom space comprised of three buildings, four modular buildings, and two parking lots at 3300 Sandoval Avenue, Pico Rivera, for the Probation Department, for a maximum first year rental cost of \$295,752. The rental costs are 100 percent net County cost.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The proposed license will provide the Probation Department (Probation) with an 8.58 acre school campus improved with an approximately 19,363 square feet of office and classroom space in three buildings, four modular buildings, and two parking lots (Campus). The facility was previously used as an elementary school until its closure in 2011. The Campus will house Probation's Staff Training Office (STO) and consolidate its programs into a centralized location. The STO is currently located at Probation's Headquarters located at 9150 E. Imperial Highway, Downey, Sheriff's Department STARS Center in Whittier, and at various rented hotel conference rooms and classrooms.

The proposed facility will provide Probation with adequate office, classroom, outdoor physical training fields, and equipment storage space to efficiently operate Staff Training operations. STO staff provides State mandated annual training to over 4,000 peace officers, including new and existing Probation staff.

The subject facility will be occupied by up to 75 Probation personnel, (including 30–35 Probation staff and up to 30–35 trainees). Probation clients will not be seen at this facility, however, vendors, other County or Probation employees, and members of the general public will visit this facility for training and other purposes.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan Goal of Operational Effectiveness/Fiscal Sustainability (Goal 1) directs that we maximize the effectiveness of processes, structure, operations, and strong fiscal management to support timely delivery of customer-oriented and efficient public services; and the Goal of Community Support and Responsiveness (Goal 2) directs that we enrich lives of Los Angeles County residents by providing enhanced services, and effectively planning and responding to economic, social, and environmental challenges. The proposed license supports these goals with a facility that provides proper accommodations for training and centralization of functions. The license is in conformance with the Asset Management Principles as outlined in Attachment A.

FISCAL IMPACT/FINANCING

The proposed license will provide Probation the Campus at a maximum first year rental cost of \$295,752, comprised of an initial annual base license fee of \$240,000 and an annual additional fee of \$55,752, consisting of grounds maintenance, common area cleaning, and janitorial services. The County is responsible for the building's operational and maintenance costs. The Licensor is responsible for roof and structural maintenance and structural repairs.

Sufficient funds for the proposed license costs are available in the Fiscal Year (FY) 2014-15 Rent Expense budget and will be charged back to Probation. The license costs are 100 percent net County costs. Attachment B is an overview of the proposed license costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed license includes the following provisions:

- A three-year term commencing upon the Board of Supervisors approval and County's acceptance of the premises.
- One three-year option to extend with 180 days prior written notice.

- The Licenser is responsible for the buildings' roof maintenance and structural repairs. The County is responsible for all operational and maintenance costs associated with the County's occupancy of the premises.
- Annual Consumer Price Index (CPI) rental increases capped at 5 percent per annum.
- A cancellation provision allowing the Licenser to terminate the license at any time upon 30 days prior notice.

The Chief Executive Office (CEO), Real Estate Division staff conducted a survey within the project area to determine the availability of comparable and more economical sites. Staff was unable to identify any sites in the survey area that could suitably accommodate this requirement. Based upon said survey, staff established that the base rental range for similar spaces and terms is between \$11 and \$15 per square foot per year on a modified-gross basis plus applicable operating expense rent. Thus, the base annual rental rate of \$12.39 modified-gross plus additional fee for grounds maintenance, common area cleaning, and janitorial services, for the proposed license represents a rate within the market range for the area. In addition, the proposed facility is the only viable space to house Probation's programs within the service area. Attachment C shows County-owned or licensed facilities in the proximity of the service area and there are no suitable County-owned or licensed facilities available for the programs.

The proposed facility will provide Probation's programs with a central and appropriate location, which is consistent with the County's facility location policy adopted by the Board of Supervisors on July 24, 2012, as outlined in Attachment D.

The Department of Public Works has inspected the facility and found it seismically suitable for County occupancy.

Notification letters advising of the proposed license have been sent to the City of Pico Rivera pursuant to Government Code Sections 25351 and 65402.

ENVIRONMENTAL DOCUMENTATION

The CEO has made an initial study of environmental factors and has concluded that this Project will have no significant impact on the environment and no adverse effect on the wildlife resources. Accordingly, a Negative Declaration has been prepared and a notice posted at the site as required by the California Environmental Quality Act and the California Administrative Code, Section 15072. Copies of the completed Study, the resulting Negative Declaration, and the Notice of Preparation of Negative Declaration as posted are attached. No comments to the Negative Declaration were received.

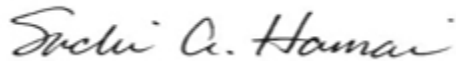
IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed license will provide the necessary office, classroom, outdoor physical training fields and equipment storage space for this County requirement. Probation concurs with the proposed recommendation.

CONCLUSION

It is requested that the Executive Office, Board of Supervisors return four originals of the executed license, two certified copies of the Minute Order, and the adopted, stamped Board letter to the CEO, Real Estate Division at 222 South Hill Street, 4th Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,

A handwritten signature in cursive script, reading "Sachin A. Hamai".

SACHI A. HAMAI

Interim Chief Executive Officer

SAH:TT:CMM

MK:gw

Enclosures

c: Executive Office, Board of Supervisors
Auditor-Controller
County Counsel
Probation

PROBATION DEPARTMENT
3300 SANDOVAL AVENUE, PICO RIVERA
Asset Management Principles Compliance Form¹

1.	<u>Occupancy</u>		Yes	No	N/A
A	Does license consolidate administrative functions? ² Probation's Staff Training Office and Academies.		X		
B	Does license co-locate with other functions to better serve clients? ²			X	
C	Does this license centralize business support functions? ²		X		
D	Does this license meet the guideline of 200 sq. ft of space per person? ² 258 sq. ft per person due to the programs classroom and training requirements.			X	
E	Does license meet the 4/1000 sq. ft. parking ratio guideline? ²		X		
F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed license location? ²		X		
2.	<u>Capital</u>				
A	Is it a substantial net County cost (NCC) program?		X		
B	Is this a long term County program?		X		
C	If yes to 2 A or B; is it a capital license or an operating license with an option to buy?			X	
D	If no, are there any suitable County-owned facilities available?			X	
E	If yes, why is license being recommended over occupancy in County-owned space?				X
F	Is Building Description Report attached as Attachment C?		X		
G	Was build-to-suit or capital project considered?			X	
3.	<u>Portfolio Management</u>				
A	Did department utilize CEO Space Request Evaluation (SRE)?		X		
B	Was the space need justified?		X		
C	If a renewal license, was co-location with other County departments considered?				
D	Why was this program not co-located?				
	1. ____ The program clientele requires a "stand alone" facility.				
	2. ____ No suitable County occupied properties in project area.				
	3. <u>X</u> No County-owned facilities available for the project.				
	4. ____ Could not get City clearance or approval.				
	5. ____ The Program is being co-located.				
E	Is license a full service license? ² Licensors would only license the Campus, whereby County is responsible for the operational and maintenance costs.			X	
F	Has growth projection been considered in space request?			X	
G	Has the Dept. of Public Works completed seismic review/approval?		X		
	¹ As approved by the Board of Supervisors 11/17/98				
	² If not, why not?				

**FISCAL IMPACT/FINANCING
OVERVIEW OF THE PROPOSED LICENSE**

Proposed License	3300 Sandoval Avenue, Pico Rivera
Area (Square Feet)	19,363 rentable square feet, on 8.58 acres of land
Term (years)	Three-years, effective upon Board approval and County's acceptance of the premises.
Annual Base License Fee	\$240,000 (\$12.39 per sq. ft. annually)
Annual Additional Fee	\$55,752 (\$2.88 per sq. ft.)
Maximum First Year Rental Cost ⁽¹⁾	\$295,752 (\$15.27 per sq. ft. annually)
Option to Renew	One 3-year option with 180 days prior written notice
Cancellation	Licensors has the right to cancel the License with 30 days prior written notice to the County
Rental adjustment	CPI with a maximum of 5 percent per annum

⁽¹⁾ Includes the annual base license fee and annual additional fee (grounds maintenance, common area cleaning, and janitorial services).

**PROBATION DEPARTMENT
SPACE SEARCH WITHIN A FIVE-MILE PARAMETER OF
3300 SANDOVAL AVENUE, PICO RIVERA**

LACO	Facility Name	Address	Ownership	Gross SQFT	Net SQFT	Available SQFT
5329	PUBLIC LIBRARY-ROSEMEAD LIBRARY	8800 VALLEY BLVD, ROSEMEAD 91770	OWNED	29,860	23,394	NONE
A253	SHERIFF-SAN GABRIEL VALLEY VEHICLE THEFT PRGM	4200 SHIRLEY AVE, EL MONTE 91731	PERMIT	3,081	2,619	NONE
4521	SHERIFF-HOMICIDE BUREAU & PAROL COMPLIANCE	1 CUPANIA CIRCLE, MONTEREY PARK 91755	LEASED	42,547	40,420	NONE
A275	COMMUNITY DEVELOPMENT COMMISSION HEADQUARTERS	2 CORAL CIR, MONTEREY PARK 91755	LEASED	67,500	60,750	NONE
A304	SHERIFF-VEHICLE THEFT PROGRAM HEADQUARTERS	9040 TELSTAR AVE, EL MONTE 91731	LEASED	7,420	7,048	NONE
A497	DPSS-SAN GABRIEL VALLEY GAIN PROGRAM REG III	3216 ROSEMEAD BLVD, EL MONTE 91731	LEASED	41,836	39,744	NONE
A387	DPSS-GAIN PROGRAM HEADQUARTERS/DA-CLAIMS UNIT	3220 ROSEMEAD BLVD, EL MONTE 91731	LEASED	26,335	25,313	NONE
A470	DIST ATTY-VICTIM-WITNESS ASSISTANCE PROGRAM	3204 ROSEMEAD BLVD, EL MONTE 91731	LEASED	12,810	11,736	NONE
A493	SAN GABRIEL VALLEY FAMILY SERVICE CENTER I	3350 AEROJET AVE, EL MONTE 91731	LEASED	240,000	216,000	NONE
A497	DPSS-SAN GABRIEL VALLEY GAIN PROGRAM REG III	3216 ROSEMEAD BLVD, EL MONTE 91731	LEASED	41,836	39,744	NONE
A522	PH/DPSS/DCFS-TELSTAR EL MONTE COUNTY CENTER	9320 TELSTAR AVE, EL MONTE 91731	LEASED	163,000	146,700	NONE
A554	SAN GABRIEL VALLEY FAMILY SERVICE CENTER II	3400 AEROJET AVE, EL MONTE 91731	LEASED	131,806	120,000	NONE
D930	SAN GABRIEL VALLEY SERVICE CENTER	1441 SANTA ANITA AVE, SOUTH EL MONTE 91733	OWNED	17,650	12,701	NONE
Y212	PUBLIC LIBRARY-SOUTH EL MONTE LIBRARY	1430 N CENTRAL AVE, SOUTH EL MONTE 91733	OWNED	6,416	5,408	NONE
Y246	PUBLIC LIBRARY-EL MONTE LIBRARY	3224 N TYLER AVE, EL MONTE 91731	OWNED	11,906	10,153	NONE
B119	ASSESSOR-EAST DISTRICT OFFICE	1190 DURFEE AVE, SOUTH EL MONTE 91733	LEASED	190,000	171,000	NONE
6064	EL MONTE COURTHOUSE	11234 E VALLEY BLVD, EL MONTE 91731	STATE OF CALIFORNIA	136,511	79,129	NONE
A130	DPSS-ADMINISTRATIVE HEADQUARTERS	12860 CROSSROADS PKWY S, CITY OF INDUSTRY 91745	LEASED	55,000	41,943	NONE
A507	DPSS-ADMINISTRATIVE HEADQUARTERS WEST ANNEX	12820 CROSSROADS PKWY S, CITY OF INDUSTRY 91745	LEASED	33,331	28,331	NONE
B002	DPSS-ADMINISTRATIVE HEADQUARTERS EAST ANNEX	12900 CROSSROADS PKWY S, CITY OF INDUSTRY 91745	LEASED	68,490	62,840	NONE
4533	EAST SERVICES AGENCY-OFFICE BUILDING	265 CLOVERLEAF DR, BALDWIN PARK 91706	OWNED	1,440	1,055	NONE
A133	CHILD SUPPORT SERVICES-DIVISION II HQ	5770 S EASTERN AVE, CITY OF COMMERCE 90040-2924	LEASED	84,477	63,413	NONE
A188	SHERIFF-INTERNAL AFFAIRS BUREAU/RISK MANAGEMT	4900 S EASTERN AVE, CITY OF COMMERCE 90040	LEASED	116,808	99,741	NONE
A332	CHILD SUPPORT SERVICES-TRAINING/IT DIVISION	5500 S EASTERN AVE, CITY OF COMMERCE 90040	LEASED	39,991	37,991	NONE
A570	CSSD-INTERSTATE/CALL CENTER/CID	5701 S EASTERN AVE, CITY OF COMMERCE 90040	LEASED	61,130	55,017	NONE
D090	PUBLIC LIBRARY-CHET HOLIFIELD LIBRARY	1060 S GREENWOOD AVE, MONTEBELLO 90640	LEASED	5,500	4,601	NONE
5395	PUBLIC LIBRARY-MONTEBELLO LIBRARY	1550 W BEVERLY BLVD, MONTEBELLO 90640	OWNED	50,530	23,989	NONE
4983	PUBLIC LIBRARY-PICO RIVERA LIBRARY	9001 MINES AVE, PICO RIVERA 90660	OWNED	16,000	13,120	NONE
3726	PUBLIC LIBRARY-SORENSEN LIBRARY	6934 BROADWAY AVE, WHITTIER 90606	OWNED	10,655	10,122	NONE
3331	WHITTIER COURTHOUSE (CIVIC CENTR BLDGS A & B)	7339 S PAINTER AVE, WHITTIER 90602	OWNED	77,538	52,161	823
4216	PH-WHITTIER PUBLIC HEALTH CENTER	7643 S PAINTER AVE, WHITTIER 90602	OWNED	17,552	7,409	NONE
X022	PROBATION-INTERNAL AUDITS OFFICE	7639 S PAINTER AVE, WHITTIER 90602	OWNED	2,694	1,870	NONE
5641	PUBLIC LIBRARY-RIVERA LIBRARY	7828 S SERAPIS AVE, PICO RIVERA 90660	OWNED	6,724	5,404	NONE
A647	LACO FIRE DEPT-HEALTH HAZARDOUS MATERIALS OFF	9155 TELEGRAPH RD, PICO RIVERA 90660	LEASED	2,400	2,280	NONE
A176	HEALTH SERVICES-EMS	10100 PIONEER BLVD, SANTA FE SPRINGS 90670	LEASED	41,720	39,634	NONE
A355	DCFS-SANTA FE SPRINGS (SPA 7)	10355 SLUSHER DR, SANTA FE SPRINGS 90670	LEASED	65,568	50,633	NONE

FACILITY LOCATION POLICY ANALYSIS

Proposed License: New Three-Year License for the Probation Department – 3300 Sandoval Avenue, Pico Rivera – 1st District.

A. Establish Service Function Category – Countywide administrative and direct service function

B. Determination of the Service Area –The proposed license will provide the Probation Department (Probation) a centralized location for the Staff Training Office (STO).

The facility will provide staff with adequate office, classroom, outdoor physical training fields and evidence storage space.

C. Apply Location Selection Criteria to Service Area Data

- Need for proximity to service area and population: The consolidated location will provide a central and appropriate location.
- Need for proximity to existing County facilities: The proposed facility is located 10 miles from the Probation headquarters in Downey.
- Need for proximity to Los Angeles Civic Center: The proposed facility is located 14 miles from the Civic Center.
- Economic Development Potential: The STO is currently housed at the Probation Headquarters, the Sheriff Department's STARS center, and various rented hotel conference/classrooms.
- Proximity to public transportation: N/A
- Availability of affordable housing for County employees: N/A
- Use of historic buildings: N/A

- Availability and compatibility of existing buildings: There are no existing County buildings available to meet the Department's service needs.
- Compatibility with local land use plans: The site is currently designated as a school and the proposed use as administrative and training facility is consistent with the building's use, zoning and not in conflict with the goals and policies of the City of Pico Rivera.

The Department of Public Works inspected the facility and found it suitable for County occupancy. Notification letters have been sent pursuant to Government Code Sections 25351 and 65402.

- Estimated acquisition/construction and ongoing operational costs: The initial annual base license fee of \$240,000 and the annual additional fee of \$55,752 comprise the total annual license costs for the facility. Sufficient funds for the proposed license costs are available in the Fiscal Year (FY) 2014-15 Rent Expense budget and will be charged back to Probation. The license costs are 100 percent net County costs.

E. Analyze results and identify location alternatives

Based upon the space and service needs of the departments, staff surveyed the immediate area to determine the availability of comparable and more economical sites. The proposed facility is the only viable space to house the programs within the service area.

Based on a survey of the area, staff established the annual rent range for similar spaces between \$11 and \$15 per square foot per year on a modified-gross basis plus applicable operating expenses rent. Therefore, the base annual rental rate of \$12.39 modified-gross plus the additional fee for grounds maintenance, common area cleaning, and janitorial services for the proposed license represents a rate within the market range for the area.

F. Determine benefits and drawbacks of each alternative based upon functional needs, service area, cost and other Location Selection Criteria

Due to the unique needs of the department to conduct outdoor training, the proposed facility is the most suitable location for Probation's programs. The facility provides STA with proper accommodations for indoor and outdoor training and sufficient space to centralize it SBO Division. The license is in conformance with the Asset Management Principles as outlined in Attachment A. The consolidation of Probation programs will provide a central and appropriate location which is consistent with the County's facility location policy adopted by the Board on July 24, 2012.

COUNTY OF LOS ANGELES

CHIEF EXECUTIVE OFFICE

LICENSE AGREEMENT

DEPARTMENT: PROBATION, as Licensee

LICENSOR: EL RANCHO UNIFIED SCHOOL DISTRICT

3300 SANDOVAL AVENUE, PICO RIVERA, CA 90660

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COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE
LICENSE AGREEMENT

THIS LICENSE is entered into as of the _____ day of _____, 2015 between EL RANCHO UNIFIED SCHOOL DISTRICT ("Licensor"), and COUNTY OF LOS ANGELES, a body politic and corporate ("Licensee" or "County").

Licensor and Licensee agree:

1. BASIC LICENSE INFORMATION The following terms as used herein shall have the meanings provided in this Section 1, unless otherwise specifically modified by provisions of this License.

1.1 Defined Terms Relating to the License:

(a) Licensor's Address for Notice:

El Rancho Unified School District
Attention: Ruben Frutos
Assistant Superintendent
8910 Slauson Avenue
Pico Rivera, CA 90660

With a copy to:

Atkinson, Andelson, Loya, Ruud & Romo
Attention: Jesus R. Gonzales, Jr., Esq.
12800 Center Court Drive, Suite 300
Cerritos, CA 90703

(b) Licensee's Address for Notice:

Board of Supervisors
Kenneth Hahn Hall of Administration,
Room 383
500 West Temple Street
Los Angeles, California 90012

With a copy to:

Chief Executive Office
Real Estate Division
222 South Hill Street, 3rd Floor
Los Angeles, California 90012
Attention: Director of Real Estate

(c) Premises:

An approximately 8.58 acre school campus with approximately 19,363 square feet of office/classroom space comprised of three (3) buildings and four (4) modular

buildings, and two parking lots (Campus), as shown on Exhibit A attached hereto.

(d) Building:

The building located at 3300 Sandoval Avenue, Pico Rivera, California, which is currently assessed by the County Assessor as APN 8123-001-909 (the "Property");

(e) Term:

Three(3) years commencing on the mutually approved Commencement Date; as that term is defined hereinafter, and terminating at midnight on the day before the third anniversary of the Commencement Date (the "Termination Date"), subject to earlier termination by Licensee or Licensor as provided herein. The phrase "Term of this License" or "the Term hereof" as used in this License, or words of similar import, shall refer to the initial Term of this License together with any additional Extension Term for which an option has been validly exercised.

(f) Option to Renew:

One (1) additional Three (3) year Option

(g) Projected
Commencement Date:

April 2015

(h) Base License Fee:

\$20,000.00 per month (which is based upon a use rate of \$1.03 per square foot (adjustable only as provided in Sections 2(b) and 5 hereof.)

(i) Additional Fees:

\$2,904 per month for grounds maintenance and common area cleaning and \$1,742 per month for janitorial services. Additional Fees shall be combined with the Base License Fee for one monthly payment of \$24,646 (Total Fee) per month.

(j) Early Termination:

As set forth hereinafter in this Agreement.

(k) Useable Square Feet in
the Premises:

Approximately 8.58 acres of land with 19,363 square feet of improvements.

(l) Use: Peace officer training, administrative use or for any other lawful purposes not incompatible with other uses in the Building.

(m) Initial Departmental Use: Probation

(n) Asbestos Report: A report dated September of 2012 prepared by CF Environmental, Inc., a registered California Environmental Assessor.

1.2 Exhibits to License:
Exhibit A: Floor Plan
Exhibit B: Commencement Date Memorandum and Confirmation of License Terms
Exhibit C: Cleaning Schedule
Exhibit D: Licensee Estoppel Certificate

2. PREMISES

(a) Licenser does hereby license to Licensee, and Licensee does hereby license from Licenser, upon the terms and conditions herein set forth, the Premises described in Section 1 and Exhibit A attached hereto.

3. COMMENCEMENT AND EXPIRATION DATES

(a) Term. The term of this License shall commence upon the Commencement Date and terminate on the Termination Date. Within 30 days of determining the Commencement Date, Licenser and Licensee shall acknowledge in writing the Commencement Date by executing the Commencement Date Memorandum and Confirmation of License Terms attached as Exhibit B. The Commencement Date shall begin upon Licensee's Acceptance of the Premises. The term "Licensee's Acceptance of the Premises" as used in this License shall mean the date upon which all of the building systems are operational to the extent necessary to service the Premises, Licensee has inspected the Premises, and Licensee has accepted the Premises.

(b) Early Entrance Upon Premises. Licensee shall be entitled to enter the Premises not less than 30 days prior to the Commencement Date for the purpose of installing Licensee's furniture, fixtures and equipment in the Premises. Such early entrance into the Premises shall be subject to all provisions hereof but shall not advance the Termination Date, and Licensee shall not pay Base License Fee for such early entrance period.

(c) Early Termination. Notwithstanding anything to the contrary in this License, whether express or implied, during the Term, this License shall be revocable by Licensors at any time upon thirty (30) calendar days written notice to Licensee, in the event Licensors decide, in its sole discretion, that either (1) Licensors requires the exclusive use of the Premises or portion thereof for school purposes; (2) Licensee's use of the Premises is inconsistent with Licensors's use of the Premises; or (3) Licensee's use of the Premises is in violation of any provision of this License.

4. OPTION TO RENEW

(a) Terms of Option. Provided that no material default has occurred and is continuing under the License at the time of the option is exercised, Licensee shall have the option to renew this License for one (1) additional period of three (3) years ("Extension Term"). Extension Term shall commence on the anniversary of the Commencement Date.

(b) Exercise of Option. Licensee may exercise its option to extend this License by giving Licensors written notice of its intent to do so by Chief Executive Office letter no later than 180 days prior to the end of the initial Term.

(c) Terms and Conditions of Extension Term. The Extension Term shall be on the same terms and conditions as the initial Term.

5. LICENSE FEE

(a) Licensee shall pay Licensors the Base License Fee stated in Section 1 during the term hereof on or before the tenth (10th) day of each month. Base License Fee for any partial month shall be prorated in proportion to the number of days in such month.

(b) License Fee Adjustment. On every anniversary of the Commencement Date, the Base License Fee shall be adjusted by applying the CPI Formula set forth below.

(c) CPI Formula. The Index means the Consumer Price Index for all Urban Consumers for the Los Angeles-Riverside-Orange County, CA area, all items published by the United States, Department of Labor, Bureau of Labor Statistics (1982-84=100). The "CPI Formula" means Base License Fee multiplied by a fraction, the numerator being the Index published for the month immediately preceding the month the adjustment is to be effective (the "New Index"), and the denominator being the Index published for the month the License commenced (the "Base Index"). If the Index is changed so that the Index differs from that used as of the Commencement Date of the License, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics.

(d) Illustration of Formula. The formula for determining the new License Fee shall be as follows:

$$\frac{\text{New Index}}{\text{Base Index}} \times \$20,000 \text{ (Base License Fee)} = \text{New Monthly Base}$$

(e) Limitations on CPI Adjustment. In no event shall the monthly Base License Fee adjustment based upon the CPI formula result in an increase of more than five percent (5%) per year of the Base License Fee of \$20,000. In no event shall the monthly License Fee be adjusted by the CPI Formula to result in a lower monthly Base License Fee than was payable during the previous year of the License.

6. USES. The Premises are to be used only for the uses set forth in Section 1 and for no other business or purpose; however, Licensors shall not unreasonably withhold its consent to a change of use.

7. USE AFTER THE EXPIRATION OF THE TERM. If Licensee continues to use the Premises or any part thereof after the expiration of the Term of this License, such use shall be terminable upon 30-days written notice from Licensors or 30-days written notice from the Chief Executive Officer of Licensee. Any fee due shall be paid at the last monthly Base License Fee rate payable under this License (as such Base License Fee may be adjusted from time to time in accordance with this License), plus all other charges payable under this License, and subject to all of the terms, covenants and conditions of this License.

8. DAMAGE OR DESTRUCTION

(a) Damage. In the event any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable and the Premises may be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than 180 days, then Licensors shall promptly, at Licensors's expense, repair such damage and this License shall continue in full force and effect. If all or any portion of the Premises shall be made unusable by fire or other casualty, Licensors shall immediately secure the area to prevent injury to persons and/or vandalism to the improvements. Licensors shall promptly, but in any event within ten days, cause an architect or general contractor selected by Licensors to provide Licensors and Licensee with a written estimate of the amount of time required to substantially complete the repair and restoration of the Premises using standard working methods. The failure to do so shall be a material default hereunder. Base License Fee shall abate to the extent that the Premises are unusable by Licensee.

(b) Licensee Termination Right. In the event any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable and the Premises will not be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than 180 days for any reason, then Licensee may terminate this License by giving written notice within ten days after notice from Licensors specifying such time period of repair; and this License shall terminate and the Base License Fee shall be abated from the date the Premises became unusable. In the event that Licensee does not elect to terminate this License, Licensors shall promptly

commence and diligently prosecute to completion the repairs to the Building or Premises.

(c) Damage In Any Year. Notwithstanding the foregoing provisions, if any material destruction to the Premises occurs during any year of the Term, either Licensor or Licensee may terminate this License by giving notice to the other not more than 30 days after such destruction, in which case (a) Licensor shall have no obligation to restore the Premises, (b) Licensor may retain all insurance proceeds relating to such destruction, and (c) this License shall terminate as of the date which is 30 days after such written notice of termination.

(d) Default By Licensor. If Licensor is required to repair and restore the Premises as provided for in this Section and Licensor should fail to thereafter pursue said repair and restoration work with reasonable diligence to completion, such failure shall be considered a material default by the Licensor. In the event of such a material default, Licensee may terminate the License, in which case (i) Licensor shall have no obligation to restore the Premises, (ii) Licensee shall have no obligation to pay any further Base License Fee; and (iii) this License shall terminate within 15 days after such written notice of termination.

9. REPAIRS AND MAINTENANCE

(a) Licensor Obligations. Licensor shall perform maintenance on the Premises so that the following items are in good working order prior to the commencement of the License: (i) the structural elements of the Building, including without limitation, all permanent exterior and interior walls, floors and ceilings, roof, concealed plumbing, stairways, concealed electrical systems and telephone intrabuilding network cable (ii) mechanical (including HVAC), electrical, plumbing and fire/life safety systems serving the Building (iii) the Common Areas; and (iv) exterior windows of the Building. Licensor, at its sole cost and expense, shall also perform all structural and roof maintenance and repairs to the Premises as necessary, and shall keep the Premises in good condition and repair, reasonable wear and tear excepted.

(b) Licensee Obligations. Without limiting Licensor's Obligations, Licensee may, at Licensee's sole expense, keep the Premises and every part thereof, structural and non-structural, in good order, condition and repair, making all minor repairs and replacements, interior and exterior, above or below ground and whether or not the need for such repairs or replacements occur as a result of Licensee's use or the elements or the age of such portion of the Premises, including without limiting the generality of the foregoing, all heating, ventilation and air-conditioning systems ("HVAC"), plumbing, electrical wiring, conduits, lighting, fixtures, walls (interior and exterior), ceilings, roof, floors, windows and doors. However, Licensee shall have no right to perform any structural changes, alterations or improvements to the Premises or Building provided under to this License, unless Licensor provides written permission to perform such structural changes, alterations or improvements, which permission may be granted and conditioned in the sole discretion of the Licensor.

10. SERVICES AND UTILITIES

Licensee shall pay for all water, sewer, gas, heat, light, power, steam, telephone and all other utilities and services, including repairs to same, supplied to the Premises. Licensor shall be responsible for providing the following services to the Premises at a fee designated on Section 1.1(j):

(a) Janitorial. Licensor shall provide janitorial service, five nights per week, as detailed in the specifications set forth in Exhibit C attached hereto. Licensee has the right to cancel the janitorial service provided by Licensor, with a thirty (30) day prior written notice, and procure an alternate vendor to provide janitorial service.

(b) Grounds Maintenance and Common Area Cleaning. Licensor shall provide ground's maintenance and common area cleaning. Licensee has the right to cancel the services provided by Licensor with a thirty (30) day prior written notice and to procure an alternate vendor to provide the landscaping, grounds maintenance and common area cleaning services.

11. LICENSOR ACCESS. Licensee shall permit Licensor and its agents to enter the Premises upon prior notice for any reasonable purposes including, but not limited to, inspecting the Premises for any reasonable purpose. If Licensor temporarily closes any portion of the Building or Premises, Base License Fee shall be prorated based upon the percentage of the Premises or Building rendered unusable by Licensee. Licensor shall have the right at any and all times to enter the Premises in the event of an emergency.

12. LICENSEE DEFAULT

(a) Default. The occurrence of any one or more of the following events (a "Licensee Default") shall constitute a material default and breach of this License by Licensee:

(i) The failure by Licensee to make any payment of Base License Fee or any other payment required to be made by Licensee hereunder (except to the extent an offset is expressly permitted hereunder), as and when due and if the failure continues for a period of ten days after the Base License Fee is due;

(ii) The failure by Licensee to observe or perform any of the other covenants, conditions or provisions of this License, where such failure shall continue for a period of 30 days after written notice from Licensor specifying in detail the nature of the Licensee Default.

(b) Termination. Licensee agrees that if a Licensee Default should occur and should not be cured within the time periods set forth above, it shall be lawful for Licensor to terminate this License for cause upon the giving of written notice to Licensee. In addition thereto, Licensor shall have such other rights or remedies as may be provided by law.

(c) No Effect on Indemnity. Nothing in this Article shall be deemed to affect either Licensor or Licensee's right to indemnification under any indemnification clause or clauses set forth in this License.

13. LICENSOR DEFAULT

(a) Remedies. In addition to the other provisions herein concerning Licensor's default, Licensor shall be in default ("Licensor Default") in the performance of any obligation required to be performed by Licensor under this License if Licensor has failed to perform such obligation within ten days after the giving of written notice with respect thereto by Licensee; provided, however, that if the nature of the Licensor Default is such that the same cannot reasonably be cured within such ten day period, Licensor shall not be deemed to be in Licensor Default if Licensor shall within such period commence such cure and thereafter diligently prosecute the same to completion. If the Licensor Default is of such a nature that it materially and substantially interferes with Licensee's use of the Premises, and if such Licensor Default is not cured within the foregoing cure period, then Licensee shall have the right, at its option, with or without further notice or demand of any kind to Licensor or any other person, to any one or more of the following described remedies in addition to all other rights and remedies provided at law or in equity or elsewhere herein: (i) to seek money damages for loss arising from Licensor's failure to discharge its obligations under this License or offset such damages against Base License Fee next coming due; and/or (ii) to terminate this License.

(b) Waiver. Nothing herein contained shall relieve Licensor from its duty to effect the repair, replacement, correction or maintenance required to restore any affected services, or to perform any other obligations to the standard prescribed in this License, nor shall this Section be construed to obligate Licensee to undertake any such work.

(c) Emergency. Notwithstanding the foregoing cure period, Licensee may cure any default without notice where the failure promptly to cure such default would reasonably create or allow to persist an emergency condition that would cause imminent injury or damage to life and/or property.

14. ASSIGNMENT AND SUBLETTING. Licensee may assign, mortgage, encumber or otherwise transfer this License or sublet the whole or any part of the Premises to another government entity for similar use by first obtaining Licensor's prior consent; provided, however, that no such assignment, subletting or other transfer shall relieve Licensee of any liability under this License unless Licensor has given its written consent thereto, which Licensor shall not unreasonably withhold if the assignee has a financial condition which is reasonably sufficient for it to be responsible for all future obligations under this License.

15. ALTERATIONS AND ADDITIONS

(a) Licensor Consent. Licensee shall not make any structural alterations, improvements, additions, or utility installations in or about the Premises (collectively, "Alterations") without first obtaining the written consent of Licensor and, if required, by the Division of the State Architect (the "DSA") of Department of General Services. Any structural or fire, life and safety modifications must be authorized by the Licensor and DSA.

(b) End of Term. Any Alterations not removed by Licensee shall become the property of Licensor and remain upon the Premises at the expiration of the Term unless Licensor requests that such Alteration(s) be removed as set forth below. Licensee, at Licensee's sole expense, shall have the right to remove the same from the Premises at any time prior to the expiration or earlier termination of this License; provided, however, that Licensee shall also promptly restore the Premises to its original condition as of the Commencement Date and repair any and all damages caused by the removal of any Alterations. Upon the expiration of the Term, Licensee shall immediately vacate the Premises and restore the Premises to the condition reasonably acceptable to Licensor, at the sole and exclusive cost of the Licensee, when requested by the Licensor in writing, unless the Alteration(s) are required by applicable statutes, ordinances, rules and regulations.

(c) Early Termination. If this Agreement is terminated by the Licensor prior to the expiration of the Term, and the Licensee has made permanent Alterations to the Premises, Licensor agrees to reimburse Licensee the fair and reasonable value of such Alterations unless such Alterations were completed more than five (5) years prior to the effective date of Licensor's termination under Section 3(c) of this License Agreement. The fair and reasonable value of any such Alterations shall be equal to the depreciated cost of the applicable Alteration(s) based on a straight-line method of depreciation calculated over the useful life of such Alteration(s). In no event shall the Licensor be responsible for reimbursing the Licensee for any costs related to any Alteration(s) that are completed by the Licensee, in or about the Premises, more than five (5) years prior to the effective date that this License is revoked and terminated by the Licensor pursuant to Section 3(c). For purposes of this Section 16(c), "Completion" shall have the same definition set forth in Public Contract Code §7107(c).

16. CONDEMNATION

(a) Controlling Terms. If during the Term, or during the period of time between the execution of this License and the Commencement Date, there is any taking of all or any part of the Premises or any interest in this License by Condemnation (as defined below), this Section shall determine the rights and obligations of Licensee and Licensor. "Condemnation" shall mean the exercise of any governmental power to take title to any portion of the Premises, whether by legal proceedings or otherwise, by a Condemnor (as defined below) or a voluntary sale or transfer by Licensor to any Condemnor, either under threat of a Condemnor's exercise of such power or while legal proceedings are pending for the exercise of such power. "Condemnor" shall mean any public or quasi-public authority, or private corporation or individual, having the power of Condemnation.

(b) Total Taking. If the Premises are totally taken by Condemnation, this License shall terminate on the date the Condemnor has a right to possession of the Premises (the "Date of Taking").

(c) Partial Taking. If any portion, but not all, of the Premises is taken by Condemnation, this License shall remain in effect, except that Licensee may elect to terminate this License if, in Licensee's reasonable judgment, the remaining portion of the Premises (including the space available for parking) is rendered unsuitable for

Licensee's continued use of the Premises. If Licensee elects to so terminate this License, Licensee must exercise its right to terminate by giving notice to Licensor within 30 days after the date that the nature and the extent of the Condemnation have been determined (the "Determination Date"), which notice shall set forth the date of termination. Such termination date shall not be earlier than 30 days nor later than 90 days after Licensee has notified Licensor of its election to terminate; except that this License shall terminate on the Date of Taking if the Date of Taking falls on a date before the date of termination as designated by Licensee. If Licensee does not so notify Licensor within 30 days after the Determination Date, all obligations of Licensee under this License shall remain in effect, except that Base License Fee shall be equitably abated.

(d) Restoration. Notwithstanding the preceding paragraph, if, within 30 days after the Determination Date, Licensor notifies Licensee that Licensor at its cost will add to the remaining Premises so that the area of the Premises and the space available for parking, will be substantially the same after the Date of Taking as they were before the Date of Taking, and Licensor commences the restoration promptly and, subject to reasonable allowance for delays that are not caused by Licensor, completes it within 90 days after Licensor so notifies Licensee, this License shall continue in effect. All obligations of Licensee under this License shall remain in effect, except that Base License Fee shall be equitably abated or reduced during the period from the Date of Taking until the completion of such restoration.

17. INDEMNIFICATION

(a) Licensee's Indemnity. Licensee shall indemnify, defend and hold Licensor harmless from and against all loss, cost and expense, including attorneys' fees, arising from any injury or damage to any person or property, occurring in or about the Building or Premises as a result of any negligent act, omission or willful misconduct of Licensee, its employees, agents, contractors, visitors, guests or invitees, or arising from any breach or default under this License by Licensee, but only in proportion to and to the extent such liability, loss, expense, attorney's fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of Licensee, its trustees, officers, agents or employees. The foregoing provisions shall not be construed to make Licensee responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the negligence or willful misconduct of Licensor, or its officers, contractors, licensees, agents, employees or invitees. Nothing in this License shall be construed to waive, limit, or supersede any of Licensee's rights or immunities under the California Labor Code, including but not limited to a waiver pursuant to Labor Code section 3864.

(b) Licensor's Indemnity. Licensor shall indemnify, defend and hold Licensee harmless from and against all loss, cost and expense, including attorneys' fees, arising from any injury or damage to any person or property, occurring in or about the Building or Premises as a result of any negligent act, omission or willful misconduct of Licensor, or its officers, contractors, agents, employees, guests, or visitors, or arising from any breach or default under this License by Licensor, but only in proportion to and to the extent such liability, loss, expense, attorney's fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of

Licensors, its trustees, officers, agents or employees. The foregoing provisions shall not be construed to make Licensors responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the negligence or willful misconduct of Licensee, or its officers, contractors, licensees, agents, employees or invitees.

18. INSURANCE

(a) Licensors' Insurance. During the term of this License, Licensors shall maintain the following insurance:

(i) Commercial property insurance which shall (1) cover damage to Licensors' property, including improvements and betterments, from perils covered by the causes-of-loss special form (ISO form CP 10 30), and include ordinance or law coverage (and coverage against acts of terrorism to the extent such coverage is reasonably available and priced at commercially reasonable rates); and (2) be written for full replacement cost of the property, with a deductible of no greater than 5% of the property value. Insurance proceeds shall be payable to Licensors and Licensee as their interests may appear and be utilized for repair and restoration of the Premises.

(ii) General liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following: (1) per occurrence and general aggregate amount of \$5,000,000; (2) products/completed operations aggregate of \$2,000,000; and (3) personal and advertising injury of \$1,000,000.

(iii) Failure by Licensors to maintain the insurance required by this Section and deliver evidence thereof as required by this License or to use any insurance proceeds to timely repair and restore the Premises shall constitute a material breach of this License.

(b) Insurance Requirements. All insurance policies required to be maintained by Licensors under this License shall be issued by insurance companies which have a Best's Rating of "AVII" or better and which are qualified to do business in the State of California. All liability and property damage and other casualty policies of Licensors shall be written as primary policies, not contributing with, and not in excess of coverage which Licensee may carry.

(c) Certificates. Licensors shall deliver to Licensee on the Commencement Date of this License and thereafter at least 15 days prior to expiration of any insurance required to be carried hereunder, certificates of insurance evidencing this coverage with limits not less than those specified above. Certificates shall include the address of the licensed premises and must document that each party has named the other as an additional insured (or its equivalent) on its general liability and property insurance policy, and that Licensee has been named a loss payee on Licensors' commercial property insurance policy, as required. Further, all certificates shall expressly provide that no less than 30 days' prior written notice shall be given to Licensee in the event of material change to, expiration or cancellation of the coverages or policies evidenced by the certificates.

(d) Waiver of Subrogation. Licensors and Licensee each hereby waive their rights of subrogation against one another to the extent it is covered by the property insurance policies required to be carried hereunder. Licensors shall cause its insurance carriers to consent to the foregoing waiver of rights of subrogation against Licensee.

(e) Licensee's Insurance Requirements. Licensee shall procure and maintain the following insurance throughout the Term and any Extension Terms of this License Agreement:

(i) Public Liability and Property Damage. Licensee agrees to maintain in full force and effect throughout the duration of the License a suitable policy or policies of public liability and property damage insurance, insuring against all bodily injury, property damage, personal injury, and other loss or liability caused by or connected with Licensee's use of the Premises under this License. Such insurance shall be in amounts not less than \$1,000,000 per occurrence; \$3,000,000 for general aggregate and \$1,000,000 for property damage. The policy shall include or be endorsed to include abuse and molestation coverage.

(ii) Automobile Liability. Licensee also agrees to maintain in full force and effect with regard to any Licensee owned vehicles which Licensee brings onto the Premises a suitable policy or policies of automobile liability insurance with a combined single limit of \$1,000,000 per accident throughout the duration of the License.

(iii) Workers' Compensation. Licensee shall also maintain, in full force and effect throughout the term of this License, Workers' Compensation insurance in accordance with the laws of California, and employers' liability insurance with a limit of not less than \$1,000,000 per employee and \$1,000,000 per occurrence.

(iv) Notice; Additional Named Insureds. All insurance required under this Section (e) shall be issued as a primary policy and any insurance carried by the Licensors is excess and non-contributory with such primary insurance and shall state that not less than thirty (30) days' written notice shall be given to Licensors prior to cancellation or change in coverage, scope or amount of any policy. Licensors, its directors, officers, agents, employees and consultants, shall be designated as additional named insureds.

(v) Insurance Endorsements. Concurrent with the execution of the License and prior to any use by Licensee of the Premises, Licensee shall provide Licensors with endorsement(s) verifying such insurance according to the terms described in Sections (e)(i) through (iv) above.

(vi) Self-Insurance. Notwithstanding anything to the contrary contained herein, Licensee shall be allowed to self-insure for the requirements set forth hereinabove, provided that Licensee shall submit to the Licensors all endorsements, certificates or other documentation evidencing its policy of self-insurance which shall comply with the above requirements and provide for the coverages set forth herein this Section (e).

19. PARKING

(a) Licensee's Rights. Licensee shall have the right and use of the parking on the Premises. Licensors shall provide Licensee with prior notice when Licensors require use of any and all available parking on the Premises.

20. ENVIRONMENTAL MATTERS

(a) Hazardous Materials. Licensee shall not cause nor permit, nor allow any of Licensee's employees, agents, customers, visitors, invitees, licensees, contractors, assignees or sublicensees to cause or permit, any Hazardous Materials to be brought upon, stored, manufactured, generated, blended, handled, recycled, treated, disposed or used on, under or about the Premises, the Building or the Common Areas, except for routine office and janitorial supplies in usual and customary quantities stored, used and disposed of in accordance with all applicable Environmental Laws. As used herein, "Hazardous Materials" means any chemical, substance, material, controlled substance, object, condition, waste, living organism or combination thereof, whether solid, semi solid, liquid or gaseous, which is or may be hazardous to human health or safety or to the environment due to its radioactivity, ignitability, corrosivity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity, phytotoxicity, infectiousness or other harmful or potentially harmful properties or effects, including, without limitation, molds, toxic levels of bacteria, tobacco smoke within the Premises, petroleum and petroleum products, asbestos, radon, polychlorinated biphenyls (PCBs), refrigerants (including those substances defined in the Environmental Protection Agency's "Refrigerant Recycling Rule," as amended from time to time) and all of those chemicals, substances, materials, controlled substances, objects, conditions, wastes, living organisms or combinations thereof which are now or become in the future listed, defined or regulated in any manner by any Environmental Law based upon, directly or indirectly, such properties or effects. As used herein, "Environmental Laws" means any and all federal, state or local environmental, health and/or safety-related laws, regulations, standards, decisions of courts, ordinances, rules, codes, orders, decrees, directives, guidelines, permits or permit conditions, currently existing and as amended, enacted, issued or adopted in the future which are or become applicable to Licensee, the Premises, the Building or the Common Areas.

(b) Licensors Indemnity. Licensors shall indemnify, protect, defend (by counsel acceptable to Licensee) and hold harmless Licensee from and against any and all claims, judgments, causes of action, damage, penalties, fine, taxes, costs, liabilities, losses and expenses arising at any time during or after the Term as a result (directly or indirectly) of or in connection with the presence of Hazardous Materials on, under or about the Premises, Building or Common Areas or other violation of laws relating to Hazardous Materials unless such claims, judgments, causes of action, damage, penalties, fine, taxes, costs, liabilities, losses and expenses arise out of Hazardous Materials that are brought upon, stored, manufactured, generated, blended, handled, recycled, treated, disposed, or used on the Premises by Licensee or are otherwise caused by Licensee. This indemnity shall include, without limitation, the cost of any required or necessary repair, cleanup or detoxification, and the preparation and implementation of any closure, monitoring or other required plans, as such action is required by local or state laws or any governmental agency. Licensors shall promptly

deliver to Licensee a copy of any notice received from any governmental agency during the Term of this License concerning the presence of Hazardous Materials in the Building or the Premises. Licensor's obligations pursuant to the foregoing indemnity shall survive the expiration or termination of this License. A default by Licensor under this Section shall constitute a material default under this License.

21. ESTOPPEL CERTIFICATES. Licensee shall, within 30 days after written request of Licensor, execute, acknowledge and deliver to Licensor or its designee a written statement in the form of form of Exhibit "D" attached hereto and incorporated herein by this reference but shall have no other obligation to deliver any other form of estoppel certificate. It is intended that any such statement delivered pursuant to this Section may be relied upon by a prospective purchaser of Licensor's interest or holder of any mortgage upon Licensor's interest in the Premises.

22. LIENS. Licensee further agrees to indemnify, defend and hold harmless Licensor, its directors, officers and employees and each of them from any dispute between Licensee and any of Licensee's contractors/suppliers/sureties, including, but not limited to, any failure or alleged failure of Licensee to pay any contractor (or any person hired or employed directly or indirectly by a contractor) or Materialman of any tier or any other person employed in connection with or related to any work or maintenance at, in or upon the Premises or the Buildings and/or filing of any stop notice or mechanic's lien claims.

23. SURRENDER OF USE. Subject to casualty, at the expiration of the Term of this License, whether by lapse of time or otherwise, Licensee shall promptly and peacefully vacate the Premises and leave the Premises in a "broom-clean" condition. Upon the expiration or termination of this License, at any time or upon any grounds provided herein, Licensee shall immediately vacate the Premises, and if requested by the Licensor, restore the Premises to its condition as of the initial Commencement Date, at the sole and exclusive cost of Licensee, excluding normal wear and tear.

24. SIGNAGE. Licensee shall be permitted to install at the Premises reasonably appropriate signs that conform with any and all applicable laws and ordinances upon receiving Licensor's prior written consent.

25. NON-INTERFERENCE WITH ACTIVITIES. No right reserved by Licensor herein this Agreement shall be exercised as to interfere unreasonably with Licensee's operations hereunder. It is further agreed that this License shall not grant Licensee the right to interfere with any activities of Licensor at the Premises.

26. GENERAL

(a) Headings. Titles to Sections of this License are not a part of this License and shall have no effect upon the construction or interpretation of any part hereof.

(a) Successors and Assigns. All of the covenants, agreements, terms and conditions contained in this License shall inure to and be binding upon the Licensor and Licensee and their respective successors and assigns.

(b) Employees/Independent Contractors. For purposes of this Agreement, all persons employed by Licensee in the performance of services and functions with respect to this License Agreement shall be deemed employees of Licensee and no Licensee employee or contractor shall be considered an employee of the Licensor or under the jurisdiction of Licensor. Licensee's employees and/or contractors shall not have or be entitled to any Licensor pension, civil service, or other status with the Licensor. Licensee shall have no authority to contract on behalf of Licensor. It is expressly understood and agreed by both parties hereto that Licensee, while engaged in carrying out and complying with any terms of this License, is not acting as an agent, officer, or employee of Licensor.

(c) Entire Agreement. This License is the final and complete expression of Licensor and Licensee relating in any manner to the licensing and use of the Premises, to Licensee's use of the Building and other matters set forth in this License. No prior agreements or understanding pertaining to the same shall be valid or of any force or effect and the covenants and agreements of this License shall not be altered, modified or added to except in writing signed by both Licensor and Licensee.

(d) Severability. Any provision of this License which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and the remaining provisions hereof shall nevertheless remain in full force and effect.

(e) Notices. All notices and communications to any party hereunder shall be in writing and shall be deemed properly given if delivered personally, sent by registered or certified mail, postage prepaid, or by a recognized overnight commercial messenger providing proof of delivery, facsimile (electronically confirmed) to Licensor's Address for Notice and Licensee's Address for Notice as set forth in Section 1. Any notice so given shall be deemed to have been given as of the date of delivery (whether accepted or refused) established by U.S. Post Office return receipt or the overnight carrier's proof of delivery, as the case may be. Any such notice not so given shall be deemed given upon receipt of the same by the party to whom the same is to be given.

(f) Governing Law and Forum. This License shall be governed by and construed in accordance with the internal laws of the State of California. Any litigation with respect to this License shall be conducted in the County of Los Angeles, State of California.

(g) Waivers. No waiver by Licensor or Licensee of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by Licensor or Licensee of the same or any other provision. Licensor's or Licensee's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of Licensor's or Licensee's consent to or approval of any subsequent act by Licensor or Licensee.

(h) Time of Essence. Time is of the essence for the performance of all of the obligations specified hereunder.

(j) Consent. Whenever any consent is required by Licensor or Licensee hereunder, such consent shall not be unreasonably withheld, conditioned or delayed and, unless otherwise specifically provided herein, shall be deemed granted if not refused within ten (10) days after written request is made therefore, together with all necessary information.

(k) As-Is Condition. The Premises is hereby licensed to the Licensee in an as-is condition and Licensor makes no representation or warranty of any kind regarding the character of the Premises.

(l) Legal Interpretation of Instrument. The parties expressly understand and agree that this Agreement constitutes a non-exclusive license for use of the Premises. Therefore, Licensor has the right to access the Property and the Premises at any time as permitted under this Agreement. This Agreement is not intended by the parties, nor shall it be legally construed, to convey a leasehold, easement, or other interest in real property.

(m) Execution in Counterpart. This License Agreement may be executed in several counterparts, and all so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all parties are not signatories to the original or the same counterpart.

27. AUTHORITY. Only the Board of Supervisors has the authority, by formally approving and/or executing this License, to bind the County to the terms included herein. Each individual executing this License on behalf of Licensee represents and warrants that he or she is duly authorized to execute and deliver this License on behalf of Licensee, and that this License is binding upon Licensee in accordance with its terms. Licensor understands that no material terms of this License may be altered or deleted, nor may any new material terms be added to this License, without the express written approval of the Board of Supervisors, either through an amendment to the License or by other formal board action. No County officer, employee, agent or independent contractor has any authority to alter, add or delete the material terms of this License and Licensor may not rely upon any representations to the contrary. This limitation of authority applies to all material terms of the License including, without limitation, any monetary ceiling established for Licensee Improvements or other project costs of Licensor which are subject to reimbursement by County. County shall not reimburse Licensor for any expenses which exceed this ceiling. Notwithstanding the foregoing, the Chief Executive Officer of the County or its delegee (the "Chief Executive Officer") may take any administrative act on behalf of Licensee hereunder which does not have the effect of increasing Base License Fee or other financial obligations of Licensee under this License, including without limitation, granting any approvals, terminating this License in the manner provided herein by an Early Termination Notice or otherwise, signing estoppel certificates, signing the Commencement Date Memorandum and Confirmation of License Terms or subordinating this License. Each individual executing this License on behalf of Licensor represents and warrants that he or she is duly authorized to execute and deliver this License on behalf of Licensor, and that this License is binding upon Licensor in accordance with its terms.

28. ACKNOWLEDGMENT BY LICENSOR

Licensor acknowledges that it is aware of the following provisions:

(a) Consideration of GAIN Program Participants. Should Licensor require additional or replacement personnel after the effective date of this License, Licensor shall give consideration for any such employment, openings to participants in the County Department of Public Social Services' Greater Avenues for Independence ("GAIN") Program who meet Licensor's minimum qualifications for the open position without altering the Licensor's normal hiring processes. The County will refer GAIN participants by job category to Licensor.

(b) Solicitation of Consideration. It is improper for any County officer, employee or agent to solicit consideration in any form from a licensor with the implication, suggestion or statement that the licensor's provision of the consideration may secure more favorable treatment for the licensor in the award of the License or that licensor's failure to provide such consideration may negatively affect the County's consideration of the licensor's offer to license. A licensor shall not offer or give, either directly or through an intermediary, consideration in any form to a County officer, employee or agent for the purpose of securing favorable treatment with respect to the award of the License.

Licensor shall immediately report any attempt by a County officer, employee or agent to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861. Failure to report such solicitation may result in the licensor's submission being eliminated from consideration.

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)

IN WITNESS WHEREOF this License has been executed the day and year first above set forth.

LICENSOR:

EL RANCHO UNIFIED SCHOOL
DISTRICT

By: 

Name: Ruben P. Frutos

Its: Assistant Superintendent
Business Services

LICENSEE:

COUNTY OF LOS ANGELES
a body politic and corporate

By: _____
Name: MICHAEL D. ANTONOVICH
Mayor, Board of Supervisors

ATTEST:

PATRICK OGAWA
Acting Executive Officer-Clerk
of the Board of Supervisors

By: _____
Deputy

APPROVED AS TO FORM:

MARK J. SALADINO
County Counsel


By: 
Deputy

EXHIBIT A
FLOOR PLAN OF PREMISES

EXHIBIT B
COMMENCEMENT DATE MEMORANDUM
AND CONFIRMATION OF LICENSE TERMS

Reference is made to that certain license ("License") dated _____, between County of Los Angeles, a body politic and corporate ("Licensee"), and El Rancho Unified School District, ("Licensor"), whereby Licensor granted use to Licensee and Licensee agreed to use certain premises and buildings of Licensor located at **3300 Sandoval Avenue, Pico Rivera, CA 90660** ("Premises"),

Licensor and Licensee hereby acknowledge as follows:

- (1) Licensor granted use of the Premises to Licensee in a Substantially Complete condition on _____ ("Possession Date");
- (2) The License commenced on _____ ("Commencement Date");
- (3) The Premises contains 8.58 acres of land and 19,363 square feet of office/classroom space; and
- (4) Base License Fee Per Month is \$20,000.

IN WITNESS WHEREOF, this Memorandum is executed this ____ day of _____, 2015.

"Licensee"	"Licensor"
COUNTY OF LOS ANGELES, a body politic and corporate	EL RANCHO UNIFIED SCHOOL DISTRICT
By: _____	
Name: _____	By: _____
Its: <u>Director of Real Estate</u>	RUBEN P. FRUTOS Assistant Superintendent Business Services

EXHIBIT C

CLEANING AND MAINTENANCE SCHEDULE FOR THE PREMISES

1. DAILY (Monday through Friday)

- A. Carpets vacuumed.
- B. Composition floors dust-mopped.
- C. Desks, desk accessories and office furniture dusted. Papers and folders left on desk not to be moved.
- D. Waste baskets, other trash receptacles emptied.
- E. Chairs and waste baskets returned to proper position.
- F. Fingerprints removed from glass doors and partitions.
- G. Drinking fountains cleaned, sanitized and polished.
- H. Lavatories, toilets and toilet rooms cleaned and mopped. Toilet supplies replenished.
- I. Bulb and tube replacements, as required.
- J. Graffiti expunged as needed within two (2) working days after notice by Licensee.
- K. Floors washed as needed.
- L. Kitchen/Lunchroom supplies replenished including paper supplies and soap.
- M. Exclusive day porter service from ____ to ____ (if provided by contract).

2. WEEKLY

- A. Low-reach areas, chair rungs, baseboards and insides of door jambs dusted.
- B. Window sills, ledges and wood paneling and molding dusted.

3. MONTHLY

- A. Floors washed and waxed in uncarpeted office area.
- B. High-reach areas, door frames and tops of partitions dusted.
- C. Upholstered furniture vacuumed, plastic and leather furniture wiped.
- D. Picture moldings and frames dusted.
- E. Wall vents and ceiling vents vacuumed.
- F. Carpet professionally spot cleaned as required to remove stains.
- G. HVAC chiller water checked for bacteria, water conditioned.

4. QUARTERLY

- A. Light fixtures cleaned and dusted, but not less frequently than Quarterly.
- B. Wood furniture polished.

- C. Draperies or mini-blinds cleaned as required, but not less frequently than Quarterly.
- D. HVAC units serviced for preventative maintenance purposes, all filters changed.

5. SEMI-ANNUALLY

- A. Windows washed as required inside and outside but not less frequently than twice annually.
- B. All painted wall and door surfaces washed and stains removed.
- C. All walls treated with vinyl covering washed and stains removed.

6. ANNUALLY

- A. Furniture Systems and any other fabric or upholstered surfaces including chairs, couches, walls, etc., spot cleaned, or if determined to be necessary in Licensee's sole discretion, professionally cleaned in their entirety using a water extraction system.
- B. Bathroom and any other ceramic tile surfaces professionally cleaned using a hand scrub process. All grout and porous surfaces resealed with a professional grade sealant.
- C. Touch-up paint all interior painted surfaces in a color and finish to match existing.

7. AS NEEDED

- A. Premises and the sidewalks, driveways, parking areas and all means of access and egress for the Premises should be maintained in good repair, and in clean and safe condition at all times.
- B. All lawns, shrubbery and foliage on the grounds of the Premises should be maintained in good condition and neat in appearance. Grass and shrubbery must be replanted as needed to maintain the grounds in good appearance and condition.
- C. Carpets to be cleaned using a non-detergent, low moisture, soil encapsulation system as recommended by the carpet manufacturer. The following schedule will be maintained for carpet cleaning: (i) heavy traffic areas as needed with a minimum frequency of six (6) times per year; (ii) moderate traffic areas cleaned as needed with a minimum of two (2) times per year; and (iii) clean light traffic areas a minimum of once per year. Licensor agrees that bonnet cleaning is not an acceptable method of cleaning carpets.
- D. All walls repainted throughout the Premises. The paint finish should be eggshell or semi-gloss as directed by Licensee and in a color acceptable to Licensee. In no event will Licensor be required to repaint or replace wall coverings more than one (1) time in a five (5) year period (the "Occurrence"). The initial licensee improvements

completed prior to Licensee's first use of the Premises or as a condition to the renewal of the License shall not constitute an Occurrence for the purpose of determining the frequency of this work.

8. GENERAL

Licensors shall, upon request of Licensee, produce written service contracts as evidence of compliance with the terms of this Cleaning and Maintenance Schedule.

EXHIBIT D

LICENSEE ESTOPPEL CERTIFICATE

To: _____

Attn: _____

Re: Date of Certificate: _____
 License Dated: _____
 Current Licensor: _____
 Located at: _____
 Premises: _____
 Commencement Date of Term: _____
 Expiration Date: _____
 Current License Fee: _____

County of Los Angeles ("Licensee") hereby certifies that as of the date hereof:

1. Licensee is the present owner and holder of Licensee's rights under the license described above, as it may be amended to date (the "License"). The License covers the premises described above (the "Premises") and the building(s) (the "Building") at the address set forth above.
2. (a) A true, correct and complete copy of the License (including all modifications, amendments, supplements, side letters, addenda and riders of and to it) is attached to this Certificate as Exhibit A.
 (b) The current License Fee is set forth above.
 (c) The term of the License commenced on the Commencement Date set forth above and will expire on the Expiration Date set forth above, including any presently exercised option or renewal term. Except as specified in the License, Licensee has no option or right to renew, extend or cancel the License.
 (d) Except as specified in the License, Licensee has no option or right to license additional space in the Premises or Building or to use any parking.
 (e) Except as specified in the License, Licensee has no option or preferential right to purchase all or any part of the Premises (or the land of which the Premises are a part).
 (f) Licensee has made no agreement with Licensor or any agent, representative or employee of Licensor concerning free License Fee, partial License Fee, rebate of License Fee payments or any other similar License Fee concession, except as expressly set forth in the License.
3. (a) The License constitutes the entire agreement between Licensee and Licensor with respect to the Premises, has not been modified,

changed, altered or amended and is in full force and effect. There are no other agreements, written or oral, which affect Licensee's use of the Premises.

(b) To the knowledge of Licensee, Licensee has not given Licensor written notice of a material default under the License which has not been cured.

(c) The rights of Licensee under the License has not been assigned or encumbered. Licensee is not entitled to any credit against any License Fee or other charge or License Fee concession under the License except as set forth in the License. No License Fee payments have been made more than one month in advance.

4. All contributions required to be paid by Licensor to date for improvements to the Premises have been paid in full and all of Licensor's obligations with respect to licensee improvements have been fully performed.

IN WITNESS WHEREOF, the Licensee has executed this Licensee Estoppel Certificate as of the day set forth above.

COUNTY OF LOS ANGELES

By: _____

Name: _____

Title: _____

APPROVED AS TO FORM:

MARK SALADINO
County Counsel

By: _____
Deputy